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GOVERNOR



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**STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE**

465 S. KING STREET, #103
HONOLULU, HAWAII 96813

February 14, 2005

Maurice H. Kaya
Chief Technology Officer
Department of Business, Economic Development
& Tourism
P.O. Box 2359
Honolulu, Hawaii 96804

Re: Docket No. 05-0002—, In the Matter of Public Utilities Commission Instituting a Proceeding to Investigate the Issues and Requirements Raised by, and Contained in, Hawaii Revised Statutes 486H, as Amended.

Dear Mr. Kaya:

On February 2, 2005, Commission Counsel of the Hawaii Public Utilities Commission ("Commission Counsel") requested information from the Department of Business, Economic Development & Tourism ("DBEDT") relating to the above-referenced matter by Friday, February 11, 2005.

In a letter dated February 10, 2005 and filed on February 11, 2005, DBEDT requests a five (5)-day extension of the February 11, 2005 deadline. In support of its request, DBEDT represents that "[d]ue to delayed delivery, [DBEDT] received [the Commission's February 2, 2005] letter on February 9, 2005, so [DBEDT requests] an extension to February 16, 2005."

In light of the above, Commission Counsel will amend his February 2, 2005 letter to allow DBEDT to file its responses by Wednesday, February 16, 2005. Should you have any questions, please contact Kevin Katsura, Commission Counsel, at 586-2019.

Sincerely,


Kevin M. Katsura
Commission Counsel

KMK:KN:eh

Enclosure

c: Consumer Advocate (w/encl.)
Albert Chee, Sr., Chevron USA (w/encl.)
David Heerwald Leonard, Esq., Tesoro Hawaii Corporation (w/encl.)
Craig I. Nakanishi, Esq. (w/encl.)
Clifford K. Higa, Esq. (w/encl.)
Danny Batchelor, Esq., Shell Oil Company (w/encl.)
Robert W. Fung, Esq., Hawaii Petroleum Marketers Association (w/encl.)
Kelly G. Laporte, Esq. (w/encl.)

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STATE OF HAWAII
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465 S. KING STREET, #103
HONOLULU, HAWAII 96813

February 2, 2005

Maurice H. Kaya. P.E.
Chief Technology Officer
Strategic Industries Division
Department of Business Economic
Development & Tourism
235 South Beretania Street, 5th Floor
Honolulu, Hawaii 96813

Re: Docket No. 05-0002, In the Matter of Public Utilities Commission Instituting a Proceeding to Investigate the Issues and Requirements Raised by, and Contained in, Hawaii Revised Statutes 486H, as Amended.

Dear Mr. Kaya:

On January 4, 2005, the commission instituted an investigation to examine the issues and requirements raised by, and contained in, Hawaii Revised Statutes ("HRS") Chapter 486H, as amended. Through this docket, the commission intends to address the issues raised by, and contained in, HRS Chapter 486H and Act 242. These issues and include, but are not limited to:

1. Examining the effect, impact, and appropriateness of the baseline price as defined in HRS § 486H-13(c), as amended, and examining options as to a more appropriate baseline or a more appropriate reporting service, if any.
2. Examining the effect, impact, and appropriateness of the location adjustment factor established by HRS § 486H-13(d), as amended, at \$.04 per gallon, and examining options as to a more appropriate location adjustment factor, if any.
3. Examining the effect, impact, and appropriateness of the marketing margin factor established by HRS § 486H-13(e), as amended, at \$.18 per gallon, and examining options as to a more appropriate marketing margin factor, if any.
4. Examining the effect, impact, and appropriateness of the mid-grade adjustment factor established in HRS § 486H-13(f), as amended, at \$.05 per gallon, examining options as to a more appropriate mid-grade adjustment factor, if any.

5. Examining the effect, impact, and appropriateness of the premium adjustment factor established by HRS § 486H-13(g), as amended, at \$.09 per gallon, and examining options as to a more appropriate premium adjustment factor, if any.
6. Determining the type of documents, data, and information the manufacturers, wholesalers, or jobbers must furnish to the Commission to make a determination on zone price adjustments. HRS § 486H-13(h), as amended.
7. Analyzing zone price adjustments to the maximum pre-tax wholesale regular unleaded, mid-grade, and premium gasoline prices and examining the effect, impact, and appropriateness on a zone by zone basis. HRS § 486H-13(i), as amended.
8. Determining the type of documents, data, and information necessary for the Commission to determine whether the manufacturer, wholesaler, or jobber is complying with any requirement imposed or rule adopted, pursuant to HRS Chapter 486H. HRS § 486H-13 (j), as amended.
9. Identifying any further adjustments necessary to establish a maximum pre-tax wholesale gasoline prices that reflect and correlate with competitive market conditions. HRS § 486H-16(c), as amended.

To facilitate our review in the above-mentioned docket, we request that you respond to our information requests. This request is pursuant to HRS Chapter 486H and Chapter 487.

1. Please identify the manufacturers, wholesalers, or jobbers who would be impacted by Chapter 486H. Please list the name and contact information of each manufacturer, wholesaler, and jobber.
2. Please identify any and all companies who transport product by truck in Hawaii. Please list the name and contact information of each company.
3. Please identify what information or data the Department of Business and Economic Development and Tourism has related to the reporting of prices, volumes, movements, inventory, or costs for any of the manufacturers, wholesalers, or jobbers, and any companies who move product by barge, and companies who own or lease gasoline storage in Hawaii.
4. Please provide the commission with information, data, or spreadsheets used in the Stillwater Associates Study entitled, Study of Fuel Prices and Legislative Initiatives for the State of Hawaii in the following areas:
 - 1) Data and methodology related to determination of import parity and
 - 2) Data and methodology related to distribution costs to the neighbor islands.

Maurice H. Kaya. P.E.
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5. The DBEDT 2003 Annual report shows an overall Oil Supply/Demand flow for Hawaii, including imports, exports, and shipments from the Mainland and Alaska. Please provide a breakdown of those volumes for 2002 and 2003 by product.
6. Please provide historical wholesale gasoline prices for all grades of gasoline for Oahu and other zones, identified in Hawaii Revised Statutes § 486H-13(h).

Given the procedural schedule in this case, your responses are requested by **Friday, February 11, 2005.**

If you have any questions or concerns relating to this request, please contact Kevin Katsura at (808) 586-2019. Thank you for your assistance in this matter.

Sincerely,



Kevin M. Katsura
Commission Counsel

KMK:eh

- c: Division of Consumer Advocacy, Department of Commerce & Consumer Affairs
Albert Chee, Sr., Chevron USA
David Heerwald Leonard, Tesoro Hawaii Corporation
Craig I. Nakanishi, Esq.
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